

**Housing Element issues raised during Planning Commission hearings which will be
addressed as part of 2003 Housing Element**

1. County housing site densities are too low to support affordable housing (HCD comment)

Issue: HCD stated in their November 5, 2001 letter to the County on the proposed Interim Housing Element Amendments that the County's base density zoning is too low to support affordable housing and this is one of the reasons why SB County has not achieved better production of affordable housing.

Reason for Delay to 2003 HE: Potential increases in residential zoning density are beyond the scope of the Interim Housing Element Amendments. As a part of the 2003 Housing Element Update the County will ensure that adequate density is provided to encourage the production of affordable housing.

2. Need to identify additional multi-family affordable housing sites (HCD comment)

Issue: HCD stated in its November 5, 2001 letter to the County that multi-family affordable housing sites need to be identified by December 31, 2002.

Reason for Delay to 2003 HE: Identification of new multi-family housing sites is beyond the scope of the Interim Housing Element Amendments. Identification of adequate sites for affordable housing is mandated under state law to be included in the County's Housing Element Update.

3. Proposed changes in AHO and Inclusionary programs may conflict with State Density Bonus Program (HCD comment).

Issue: The originally proposed changes included reducing the percentage of affordable housing required under the AHO Program and increasing the affordable requirements of the Inclusionary program. The targeted income levels would also have been adjusted under each program to assure project economic feasibility and approximate neutrality among target income level options. According to HCD these changes could raise potential inconsistency concerns with State density bonus law.

Reason for Delay to 2003 HE: Due to the incorporation of Goleta, leaving only one remaining AHO site within the unincorporated area and the fact that the proposed percentage and affordability level adjustments were very complex and could involve unexpected adverse effects, additional time is needed to evaluate the relationship of the proposed changes with the State's Density Bonus Program. Therefore, the Planning Commission recommended that these proposed amendments be delayed and addressed in the 2003 Housing Element Update.

4. Proposal to develop middle income workforce housing may undercut production in mandated “affordable” income categories (HCD comment)

Issue: In response to an identified need to provide housing affordable to the working class (middle-median) category, initial proposed revisions to the AHO and Inclusionary Programs included options for providing housing affordable within the middle-median category. HCD believes that providing this option could result in reduced production in the lower income categories.

Reason for Delay to 2003 HE: Similar to other dropped changes relating to percentage requirements and affordability levels, further analysis is needed to ensure that unintended effects are not introduced. Workforce housing will be considered as part of the 2003 Housing Element Update.

5. Lack of distinct rental housing program (rental economics different than for-sale economics) (developers’ comments)

Issue: During the Planning Commission hearings, concerns were raised that existing Housing Element programs do not take into consideration the vastly different economics associated with rental projects versus for-sale projects. The affordable requirements under the existing Housing Element Programs are the same for both for-sale and rental projects. Developers’ expressed concern that to apply the same affordable requirements to a rental project is economically infeasible and this is why the County has not seen new rental projects being developed.

Reason for Delay to 2003 HE: The evaluation and development of entirely new and separate affordable rental standards is beyond the scope and timing of the Interim Housing Element Amendments. New rental housing programs will be considered as part of the 2003 Housing Element Update process.

6. Allow flexibility in open space requirements to promote better designed affordable housing requirements (developers’ comments)

Issue: Under the Design Residential Zone District there is a 40% open space requirement that may be reduced to 30% for qualified projects (e.g., affordable housing). During the Planning Commission hearings, there was public testimony expressing their concern that the reduction to 30% is not enough to accommodate higher density needed for affordable housing. Further, it was expressed that the large open space requirement has led to poor project site design and neighborhood incompatibility. Alternatively, open space reduction in itself does not necessarily lead to improved affordability or better project design.

Reason for Delay to 2003 HE: The issue of modifying the Design Residential Zone District requirements is beyond the scope and timing of the Interim Housing Element Amendments and will be considered as part of the 2003 Housing Element Update Process.

7. Encourage flexibility in application of development standard modifications to achieve better design (developers' comment)

Issue: Under the existing Housing Element, a number of development incentives are listed to promote production of affordable housing units onsite, integrated with the rest of the market rate development. However, the applicant may choose only one or two incentives from the list. A combination of incentives can be requested but must be jointly agreed upon by the applicant and decision-makers. An initial proposed change would have clarified that a combination of development standard modifications should be encouraged to provide flexibility and achieve better project design.

Reason for Delay to 2003 HE: The significance and need for this change was not determined prior to conclusion of Planning Commission hearings. The issue will be evaluated further in the 2003 Housing Element Update Process.